

Message Text

UNCLASSIFIED

PAGE 01 STATE 231521

70

ORIGIN EB-07

INFO OCT-01 EA-09 ISO-00 STR-04 TRSE-00 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

ITC-01 USIA-15 PRS-01 SP-02 OMB-01 FEA-01 AF-08

ARA-10 EUR-12 NEA-10 OIC-02 /146 R

DRAFTED BY EB/OT/GCP - MBAAS

APPROVED BY EB/OT/GPC - SAHMAD

EE/EA - MHENDERSON

STR:SFALKEN (SUBS)

CUSTOMS:DRAMSAY (SUBS)

----- 083870

R 180239Z SEP 76

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

UNCLAS STATE 231521

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: GSP PRODUCT CHANGES

REF: A. HONG KONG 10475 B. STATE 217469

1. AS POST AWARE, PETITION TO REMOVE TSUS 737.15, "MODELS, OTHER" WAS RECEIVED BY TPSC. PUBLIC HEARINGS AND CONVERSATIONS WITH INTERESTED PARTIES LED TO DETERMINATION THAT THE ONLY APPARENTLY LEGITIMATE CONCERN WAS WITH RESPECT TO ITEMS SIMILAR TO "JAM PACK" PRODUCED BY TOOTSIE TOY IN US. THESE WERE ALLEDGEDLY ENTERING UNDER 737.15. CUSTOMS WAS ASKED TO EXAMINE THE PRODUCT, AND DETERMINED THAT THIS "JAM PACK" TYPE TOY
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PAGE 02 STATE 231521

WAS MORE PROPERLY CLASSIFIED UNDER 737.95, "TOYS NOT

SPECIFICALLY PROVIDED FOR, OTHER" (FORMERLY 737.90),
SINCE THEY WERE NOT SCALE MODELS, BUT ONLY CRUDE
REPLICAS.

2. CONFUSION APPARENTLY RESULTED BECAUSE 737.15 AND
737.95 BOTH HAVE THE SAME MFN RATES OF DUTY, AND THUS
IT WAS NOT IMPORTANT TO EITHER IMPORTER OR EXPORTER
UNDER WHICH CATEGORY THE ITEM WAS CLASSIFIED BEFORE
GSP. AS A RESULT, ITEMS WOULD SOMETIMES COME IN UNDER
ONE NUMBER, SOMETIMES THE OTHER. BOTH NUMBERS WERE

SUBSEQUENTLY PLACED ON GSP, BUT HONG KONG WAS ELIMINATED
BY COMPETITIVE NEED ON 737.95. THUS THE CLASSIFICATION
ON ANY "JAM PACK" FROM HONG KONG WOULD BE VERY IMPORTANT
SHOULD IT BE IMPORTED.

3. SINCE CUSTOMS DETERMINED "JAM PACK" WOULD BE
CLASSIFIED IN 737.95 AND NOT 737.15 AND SINCE HONG KONG
IS ELIMINATED BY COMPETITIVE NEED ON 737.95, THERE WAS
NO REASON TO GRANT THE PETITION ON 737.15. THUS, IT
WAS TURNED DOWN, AND 737.15 REMAINS ON GSP. THIS LED
TO THE STATEMENT IN PARA 8 OF REF B.

4. IMPERIAL TOY CORPORATION OF LOS ANGELES APPARENTLY
MANUFACTURES A PRODUCT SIMILAR TO TOOTSIE TOY'S "JAM
PACK" IN HONG KONG UNDER THE IMPERIAL NAME. OTHER FIRMS
MANUFACTURING TOYS IN HONG KONG FOR EXPORT TO THE US
ARE MATTEL, ZEE, GORDI AND DURHAM, BUT WE DO NOT
BELIEVE THAT THEY MANUFACTURE SOMETHING SIMILAR TO
THE "JAM PACK". IMPERIAL STATED TO THE TPSC THAT THEY
WERE NOT IMPORTING THIS ITEM INTO THE US AND HAD NO
INTENTION OF DOING SO EVEN IF THE ITEM WOULD RECEIVE
DUTY FREE TREATMENT AS THE FREIGHT COSTS MADE IT
IMPOSSIBLE FOR THEM TO COMPETE WITH TOOTSIE ON A PRICE
BASIS ON THIS ITEM. THUS IT APPEARS THAT TRADE FROM
HONG KONG WILL NOT BE AFFECTED BY THE CUSTOM'S

CLASSIFICATION OPINION. ROBINSON

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NNN

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